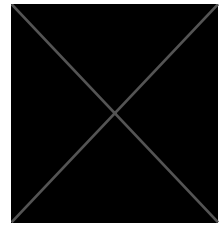




# SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



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## Company Information

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**SEC Registration No.:** A199605554

**Company Name:** BAYCOMMS BROADCASTING CORPORATION

**Industry Classification:** O92132

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST10523202381195048

**Document Type:** Financial Statement

**Document Code:** FS

**Period Covered:** December 31, 2022

**Submission Type:** Annual

**Remarks:** None

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Acceptance of this document is subject to review of forms and contents

**COVER SHEET**  
for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 1 9 9 6 0 5 5 5 4

Company Name

BAYCOMMS BROADCASTING CORPORATION

Principal Office (No./Street/Barangay/City/Town/Province)

5TH FLOOR JACINTA II BUILDING  
EDSA AVENUE GUADALUPE NUEVO,  
MAKATI CITY

Form Type

A A F S

Department requiring the report

Secondary License Type, If Applicable

**COMPANY INFORMATION**

Company's Email Address

baycommsbroadcasting@gmail.com

Company's Telephone Number/s

(023) 553-9260

Mobile Number

[REDACTED]

No. of Stockholders

8

Annual Meeting Month/Day

FEBRUARY 28

Fiscal Year Month/Day

12/31

**CONTACT PERSON INFORMATION**

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

YELCT T. CATULPOS

Email Address

[REDACTED]

Telephone Number/s

[REDACTED]

Mobile Number

[REDACTED]

Contact Person's Address

[REDACTED]

**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR  
ANNUAL INCOME TAX RETURN**

The management of **BAYCOMMS BROADCASTING CORPORATION** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2022. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax or Annual information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, documentary stamps tax returns, and any all other tax returns.

In this regard, the Management affirms that attached audited financial statements for the year ended December 31, 2022 and the accompanying Annual Income Tax Return are in accordance with the books and records of **BAYCOMMS BROADCASTING CORPORATION** complete and corrected in all material respects. Management like affirms that:

- a.) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and Bureau of Internal Revenue.
- b.) Any disparity of figure in the submitted reports arising from the preparation of financial statements pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and record in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c.) The **BAYCOMMS BROADCASTING CORPORATION** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

  
**ELMER V. CATULPOS**

*President/Chairman of the Board*

  
**YELCY Y. CATULPOS**

*Chief Financial Officer*

Signed this 15th day of April, 2023



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of **BAYCOMMS BROADCASTING CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached herein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors review and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

**SUSANA C. ROSANA**, the independent auditor, appointed by the stockholders, have audited the financial statements of the company as of December 31, 2022 and 2021, in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



**ELMER V. CATULPOS**

*President / Chairman of the Board*



**YELCY Y. CATULPOS**

*Chief Financial Officer*

Signed this 15<sup>th</sup> day of April, 2023



**SUSANA C. ROSANA**  
Certified Public Accountant



## REPORT OF INDEPENDENT AUDITOR

The Board of Directors and Shareholders  
**BAYCOMMS BROADCASTING CORPORATION**  
5<sup>th</sup> Floor, Jacinta II Building, EDSA Guadalupe Nuevo  
Makati City

### *Opinion*

I have audited the financial statements of **BAYCOMMS BROADCASTING CORPORATION** which comprise the statements of financial position as at December 31, 2022 and 2021, and statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended, notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **BAYCOMMS BROADCASTING CORPORATION** as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Philippine Financial Reporting Standards for Small-Medium Entities (PFRS for SMEs).

### *Basis for Opinion*

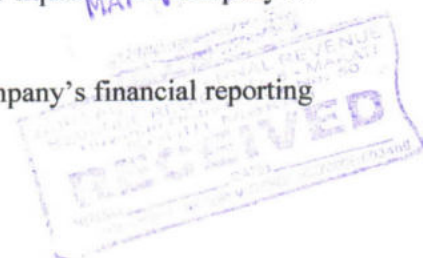
I conducted my audits in accordance with the Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am **Independent** of the Company in accordance with the Code of Ethics for Professionals Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Responsibilities of Management and those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards for Small-Medium Entities (PFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for **assessing the company's ability to continue as a going concern**, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with the governance are responsible for overseeing the Company's financial reporting process.



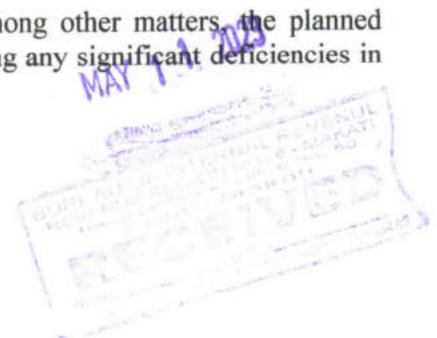
*Auditor's responsibilities for the audit of the financial statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these consolidated financial statements.

As part of an audit in accordance with PSA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the **going concern** basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



**Report on Other Legal and Regulatory Requirements**

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in notes to the financial statements is presented for purpose of filing with the Bureau of Internal revenue and is not required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**SUSANA C. ROSANA**

CPA Certificate

BOA No.

Issued on June 23, 2021

Valid until July 31, 2024

TIN No.

BIR AN

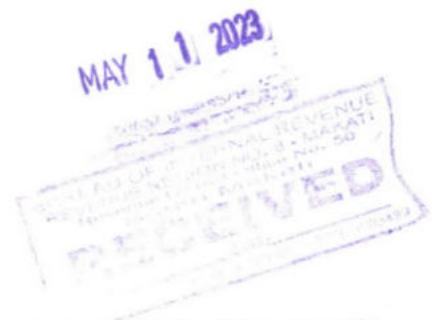
Issued on May 19, 2020

Valid until May 19, 2023

PTR No.

January 3, 2023

Taytay, Rizal



Room 835 City and Land Mega Plaza ADB Ave. cor. Garnet Road, Ortigas Center, Pasig City

**SUSANA C. ROSANA**  
Certified Public Accountant



**SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR ON THE NUMBER OF SHAREHOLDERS**

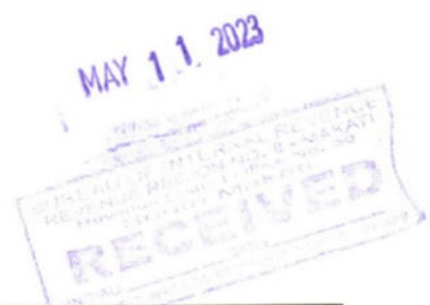
The Board of Directors and Shareholders  
**BAYCOMMS BROADCASTING CORPORATION**  
5<sup>th</sup> Floor, Jacinta II Building, EDSA Guadalupe Nuevo  
Makati City

I have audited the financial statements of **BAYCOMMS BROADCASTING CORPORATION** for the year ended December 31, 2022, on which I have rendered the attached report dated April 15, 2023.

In compliance with SRC Rule 68, I am stating that the said company has a total number of \_\_\_\_\_ ( \_\_\_\_\_ ) *shareholders* owning one hundred (100) or more shares each.



**SUSANA C. ROSANA**  
CPA Cert. No. [REDACTED]  
BOA No. [REDACTED]  
Issued on June 23, 2021  
Valid until July 31, 2024  
TIN No. [REDACTED]  
BIR AN [REDACTED]  
Issued on May 19, 2020  
Valid until May 19, 2023  
PTR No. [REDACTED]  
January 3, 2023  
Taytay, Rizal



Room 835 City and Land Mega Plaza ADB Ave. cor. Garnet Road, Ortigas Center, Pasig City



**SUSANA C. ROSANA**  
Certified Public Accountant



**Report of Independent Certified Public Accountant  
To accompany Income Tax Returns**

The Board of Directors and Shareholders  
**BAYCOMMS BROADCASTING CORPORATION**  
5<sup>th</sup> Floor, Jacinta II Building, EDSA Guadalupe Nuevo  
Makati City

I have examined the financial statements of **BAYCOMMS BROADCASTING CORPORATION** for the year then ended December 31, 2022 on which I have rendered the attached report dated April 15, 2023.

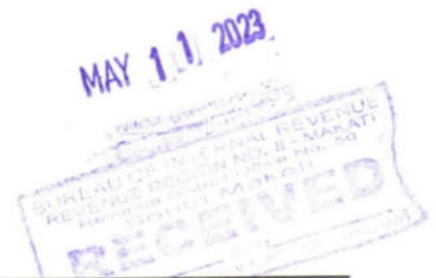
In compliance with Revenue Regulations V-20, I am stating that:

1. The taxes paid or accrued by the above entity for the year ended December 31, 2022 are shown in the schedule of taxes and licenses attached to the income tax return.
2. I am not related by consanguinity or affinity to the president, manager and shareholders of the corporation.



**SUSANA C. ROSANA**  
CPA Cert. No. [REDACTED]  
BOA No. [REDACTED]  
Issued on June 25, 2021  
Valid until July 31, 2024  
TIN No. [REDACTED]  
BIR AN [REDACTED]  
Issued on May 19, 2020  
Valid until May 19, 2023  
PTR No. [REDACTED]  
January 3, 2023  
Taytay, Rizal

April 15, 2023



Room 835 City and Land Mega Plaza ADB Ave. cor. Garnet Road, Ortigas Center, Pasig City

**SUSANA C. ROSANA**  
Certified Public Accountant



**TO THE SECURITIES AND EXCHANGE COMMISSION**

In connection with my examination of the financial statements of **BAYCOMMS BROADCASTING CORPORATION** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards (PFRS) for Small-Medium Entities (SMEs) in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of independence as provided for in Section 14 of the Code of Professional Ethics for CPAs;
4. That in the conduct of the audit, I shall comply with the Philippine Standards on Auditing (PSA) promulgated by the Board of Accountancy. In case of my departure from such standards or any limitation in the scope of my examination. I shall indicate the nature of departure and the extent of the limitation, the reasons thereof;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any act discreditable to the profession as provided for in Section 23 of the Code of Professional Ethics for CPAs.

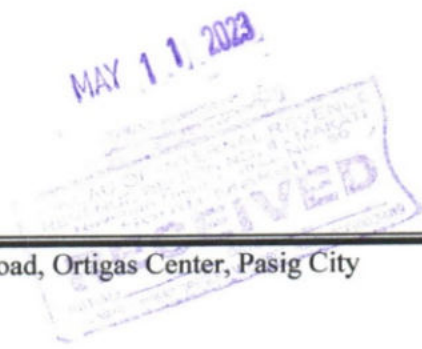
As a CPA engaged in public practice, I make these representations in my individual capacity.



**SUSANA C. ROSANA**  
CPA Cert. No. [REDACTED]  
BOA No. [REDACTED]  
Issued on June 23, 2021  
Valid until July 31, 2024  
TIN No. [REDACTED]  
BIR AN: [REDACTED]  
Issued on May 19, 2020  
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Taytay, Rizal

April 15, 2023

Room 835 City and Land Mega Plaza ADB Ave. cor. Garnet Road, Ortigas Center, Pasig City

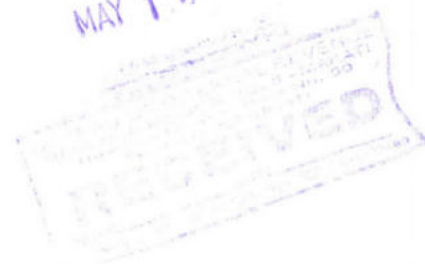


**BAYCOMMS BROADCASTING CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in bank and on hand (Note 6)	₱ 56,903,977	₱ 74,892,816
Subscription receivable	47,500,000	47,500,000
Other asset	552,234	552,234
	<u>104,956,211</u>	<u>122,945,050</u>
<b>Non-current Assets</b>		
Property and equipment (Note 7)	55,817,549	40,635,347
Accumulated depreciation	(19,917,858)	(12,880,534)
	<u>35,899,691</u>	<u>27,754,813</u>
	<b>₱ 140,855,902</b>	<b>₱ 150,699,863</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Other payables (Note 8)	₱ 91,489	₱ 87,469
	<u>91,489</u>	<u>87,469</u>
<b>Non-current Liabilities</b>		
Other payables (Note 8)	23,454,758	21,357,458
Due to related parties (Note 15)	78,893,621	78,893,621
	<u>102,348,379</u>	<u>100,251,079</u>
	<u>102,439,868</u>	<u>100,338,548</u>
<b>Equity</b>		
Common stock (Note 10)	100,000,000	100,000,000
Accumulated deficit	(61,583,966)	(49,638,685)
	<u>38,416,034</u>	<u>50,361,315</u>
	<b>₱ 140,855,902</b>	<b>₱ 150,699,863</b>

See accompanying Notes to Financial Statements.

MAY 11, 2023





**BAYCOMMS BROADCASTING CORPORATION**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

	Years Ended December 31	
	2022	2021
<b>REVENUE</b>		
Service income (Note 11)	₱ 4,893,960	₱ 2,947,456
	4,893,960	2,947,456
<b>COST OF SERVICES</b>		
Cost of services (Note 12)	10,007,902	4,503,978
<b>GROSS PROFIT</b>	(5,113,942)	(1,556,522)
<b>OTHER EXPENSES</b>		
Operating expenses (Note 13)	6,831,339	7,245,080
<b>INCOME BEFORE INCOME TAX</b>	(11,945,281)	(8,801,602)
<b>PROVISION FOR INCOME TAX</b> (Note 14)	-	-
<b>NET INCOME</b>	₱ (11,945,281)	₱ (8,801,602)

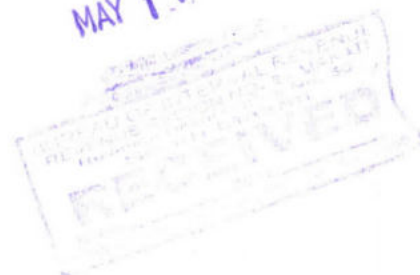
See accompanying Notes to Financial Statements.



**BAYCOMMS BROADCASTING CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock (Note 10)	Accumulated Deficit	Total Changes in Equity
Balance at January 1, 2022	₱ 100,000,000	₱ (49,638,685)	₱ 50,361,315
Total comprehensive income for the year	-	(11,945,281)	(11,945,281)
Balance at December 31, 2022	₱ 100,000,000	₱ (61,583,966)	₱ 38,416,034
Balance at January 1, 2021	₱ 5,000,000	₱ (40,837,083)	₱ (35,837,083)
Additional capital	95,000,000	-	95,000,000
Total comprehensive income for the year	-	(8,801,602)	(8,801,602)
Balance at December 31, 2021	₱ 100,000,000	₱ (49,638,685)	₱ 50,361,315

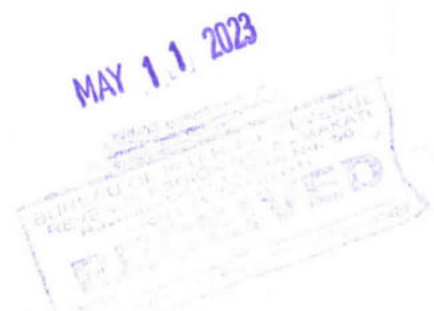
MAY 11 2023



**BAYCOMMS BROADCASTING CORPORATION**  
**STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P (11,945,271)	P (8,801,602)
Adjustments for:		
<i>Depreciation and amortization</i>	7,037,324	2,060,915
Operating income before working capital changes	(4,907,957)	(6,740,687)
Adjustment for changes in working capital		
Decrease (increase) in:		
Subscription receivable	-	(47,500,000)
Other assets	-	-
Decrease (increase) in:		
Withholding tax payable – expanded	-	(1,300)
Other payables	2,101,320	1,717,653
Accrued salaries expense	-	(2,458)
Percentage taxes payable	-	(1,685)
Net cash generated from operations	(2,806,637)	(52,528,477)
Income taxes paid	-	-
Net cash provided by operating activities	(2,806,637)	(52,528,477)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment	(15,182,202)	-
Net cash provided by (used in) investing activities	(15,182,202)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance (Payment) of Long-Term Debt	-	-
Increase in Capital	-	95,000,000
Net cash provided by (used in) financing activities	-	95,000,000
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(17,988,839)</b>	<b>42,471,523</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>74,892,816</b>	<b>32,421,293</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> (Note 6)	<b>P 56,903,977</b>	<b>P 74,892,816</b>

See accompanying Notes to Financial Statements.



## **BAYCOMMS BROADCASTING CORPORATION NOTES TO FINANCIAL STATEMENTS**

### **1. Corporate Information**

BAYCOMMS BROADCASTING CORPORATION (the Company) was incorporated under the laws of the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on September 4, 1996. The Company's principal place of business is located at 5th Floor, Jacinta II Building, EDSA Guadalupe Nuevo, Makati City.

The Company is engaged in the operation of radio, television and cable stations for broadcasting, telecasting and for reception and transmission of messages on radio, television and cable station in the domestic public fixed point to point and public base, aeronautical, and land mobile station, including coastal marine services with the corresponding relay station for the reception and transmission of wireless on radiotelegraphy and/or radiotelephony, radioteletype, radiotelephoto, facsimile and such other type of transmission or both with vessel at sea and aircraft in the air, without or within the Philippines.

### **2. Summary of Significant Accounting Policies**

#### **Basis of Preparation**

The accompanying financial statements have been prepared on a historical cost convention basis.

The financial statements are presented in Philippine Peso, the Company's functional currency, and all values are rounded to the nearest peso, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the earliest period presented when there is retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements.

#### **Statement of Compliance**

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

#### **Presentation of Financial Statements**

The Company presents its statement of financial position broadly in order of liquidity.

#### **Changes in Accounting Policies and Disclosures**

The accounting policies adopted are consistent with those of the previous financial year



## Significant Accounting Policies

### Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand and amounts due from banks, with original maturities of three months or less from date of placements and that are subject to an insignificant risk of changes in fair value.

### Accounts receivables

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short term resale and are not designated as AFS investments, financial assets at FVPL or HTM investments.

After initial measurement, accounts receivables are measured at amortized cost using the effective interest method less allowance for credit losses. However, receivables with maturity of less than one year are recognized at face value due to immateriality of related premium or discount. The losses arising from impairment of accounts receivables are recognized in the statement of income under 'Provision for (recovery from) probable losses'.

### Derecognition of Financial Assets and Liabilities

#### *Financial asset*

- A financial asset (or where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control over the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### *Financial liability*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

### Impairment of Financial Assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they



will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### *Accounts receivables*

For receivables, the Company first assesses whether an objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of comprehensive income. Interest income continues to be recognized based on the original EIR of the asset.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognized in the statement of comprehensive income.

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specific of each arrangement

Broadcasting fees are recognized as income when the program is broadcasted or the advertisement is aired.

The company on some instance receives non-cash consideration (such as merchandise or service) from certain customer in exchange for advertising time. The fair value of such non-cash consideration received from the customer is included in the transaction price and measured upon airing of the advertisement when aired.

#### Expenses

Expenses are recognized when it is probable that the decrease in asset or an increase in liability has occurred and that the decrease in economic benefits can be measured reliably. Expenses that may arise in the course of ordinary regular activities of the Company include among others, the operating expenses on the Company's operations.

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation, and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the items of property and equipment have been put into operation, such as repairs and maintenance are normally charged against operations in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. The estimated useful life of office furniture, fixtures and equipment ranges as follows:

	Years
Leasehold improvements	20
Transportation equipment	20
Transmission equipment	20
Antenna tower	20
Transformer equipment	20
Studio & radio equipment	20
Office equipment	20
Furniture & Fixtures	30

The useful life and the depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of office furniture, fixtures and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

**Impairment of Property and Equipment**

At each statement of financial position date, the Company assesses whether there is any indication that its property and equipment may be impaired. When an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount,

Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash-generating unit to which it belongs. Where the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit). An impairment loss is charged against operations in the year in which it arises.

A previously recognized impairment loss is reversed by a credit to current operations to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

#### Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
- b. a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
- c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
- d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gives rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

#### *Operating lease*

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term.

#### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized but are disclosed in the financial statements unless the possibility of an outflow of assets embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

#### Income Taxes

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine Tax Law. Income tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in OCI.

#### Subsequent Events

Post year-end events that provide additional information about the Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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### 3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities, if any. Future events may occur which

will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Judgments

##### *a. Assessment of impairment of noncurrent nonfinancial assets*

The Company assesses the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- a. significant adverse changes in the technological, market, or economic environment in which the Company operates;
- b. significant decrease in the market value of an asset;
- c. significant increase in the discount rate used for the value-in-use calculations;
- d. evidence of obsolescence and physical damage;
- e. significant changes in the manner in which an asset is used or expected to be used;
- f. plans to restructure or discontinue an operation; and,
- g. evidence is available from internal reporting that the economic performance of an asset is, or will be, worse than expected.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's net selling price and value-in-use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value-in-use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Recoverable amount represents the value-in-use, determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Based on management's evaluation, no impairment loss needs to be recognized on the Company's property and equipment.

##### *b. Going concern*

The Company's management has made an assessment of its ability to continue as going concern. Management believes that it has the adequate resources to continue in business for the foreseeable future. Therefore the financial statements continue to be prepared on a going concern basis.

##### *c. Revenue Recognition from Contracts with Customer*

- i. The Company identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

Revenues earned from contracts with various promises are split into separately

identifiable performance obligations based on their relative stand-alone selling price to reflect the substance of the transaction.

The Company offers bundled radio airtime, digital and hosting and customer event services and is assessed as three separate performance obligations.

- ii. Revenue Recognition. The Company recognizes revenue over time or at a point in time depending on its evaluation of when the customer obtains control of the promised goods or services. Revenue from broadcasting fees are recognized at a point in time when the revenue is aired. Revenues from talent fees and customer event are recognized over time as the Company provides the service.

#### Estimates

a. *Credit losses on accounts receivables*

The Company reviews its accounts receivables at each statement of financial position date to assess whether an allowance for credit losses should be provided in the statement of income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

b. *Estimation of useful lives of property and equipment.*

The Company estimated the useful lives of its property and equipment, depreciable investment properties, and intangible assets based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property and equipment, depreciable investment properties, and intangible assets based on factors that include asset utilization, internal technical evaluation, technological changes, and environmental changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

c. *Provisions*

The Company provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of the reporting date, net of any estimated amount that may be reimbursed to the Company. If the effect of the time value of money is material, provisions are discounted using a pretax rate that reflects the risks specific to the liability. The amount of provision is being reassessed at least on an annual basis

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#### 4. **Financial Risk Management Objectives and Policies**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can contribute to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may obtain borrowings from banks or related parties.

## 5. Fair Value Measurement

The methods and assumptions used by the Company in estimating the fair value of the financial instruments are:

*Cash and cash equivalents* - carrying amounts approximate fair values due to the relatively short-term maturity of these assets.

*Accounts receivables, including security deposits* - for accounts receivables which have relatively short-term maturities, the Company assumes that the carrying amounts approximate their fair values. The fair values of fixed-rate long-term loans and receivables are estimated by discounting expected future cash flows using interest rates appropriate to the maturity of the investment. Inputs used in the valuation are readily observable.

*Other payables and income tax payable* - carrying amounts approximate fair values since they have short-term maturities.

## 6. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash in bank	₱ 56,903,997	₱ 74,892,816
Petty cash fund	-	-
	<b>₱ 56,903,997</b>	<b>₱ 74,892,816</b>

Deposits in banks earn interest at rates ranging from 0.1% to 0.9% and 0.4% to 1.6% in 2022 and 2021, respectively. The amount of interest income is netted against operating expenses due to immateriality

The significant increase in cash is due to the advances from the shareholder to finance the operation of the company.

## 7. Property and Equipment

The composition of and movements in property and equipment follow:

Cost	December 31, 2022										Total	
	Building Improvements	Computer Software	Transmission Equipment	Machineries Equipment	Hardware	Office Equipment	Furniture & Fixtures					
Balance at beginning of year	₱ 1,233,845	₱ 226,607	₱ 32,225,000	₱ 285,305	₱ 19,643	₱ 6,313,603	₱ 331,344	₱ 40,635,347	₱ 15,182,202			
Acquisition	-	-	15,182,202	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of year	1,233,845	226,607	47,407,202	285,305	19,643	6,313,603	331,344	55,817,549				
<b>Accumulated Depreciation</b>												
Balance at beginning of year	271,950	53,387	10,877,812	(90,732)	4,910	1,681,182	82,025	12,880,534	7,037,324			
Depreciation	61,692	11,330	6,587,659	14,265	982	344,828	16,568					
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of year	333,642	64,717	17,465,471	(76,467)	5,892	2,026,010	98,593	19,917,858				
<b>Net Book Value</b>	₱ 900,203	₱ 161,890	₱ 29,941,731	₱ 361,772	₱ 13,751	₱ 4,287,593	₱ 232,751	₱ 35,899,691				

December 31,  
2021

Cost	December 31, 2021										Total	
	Leasehold Improvements	Transportation Equipment	Transmission Equipment	Machineries Equipment	Hardware	Office Equipment	Furniture & Fixtures					
Balance at beginning of year	₱ 1,233,845	₱ 226,607	₱ 32,225,000	₱ 285,305	₱ 19,643	₱ 6,313,603	₱ 331,344	₱ 40,635,347				
Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of year	1,233,845	226,607	32,225,000	285,305	19,643	6,313,603	331,344	40,635,347				
<b>Accumulated Depreciation</b>												
Balance at beginning of year	210,258	42,057	9,266,562	(104,997)	3,928	1,336,354	65,457	10,819,619	2,060,915			
Depreciation	61,692	11,330	1,611,250	14,265	982	344,828	16,568					
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of year	271,950	53,387	10,877,812	(90,732)	4,910	1,681,182	82,025	12,880,534				
<b>Net Book Value</b>	₱ 961,895	₱ 173,220	₱ 21,347,188	₱ 376,037	₱ 14,733	₱ 4,632,421	₱ 249,319	₱ 27,754,813				

## 8. Other Payables

This account consists of:

	2022	2021
<b>Current Liabilities</b>		
Income tax payable	₱ 13,213	₱ 13,213
Percentage Taxes Payable	15,517	15,517
Withholding Tax Payable – Expanded	58,739	58,739
SSS/HDMF/PHIC premium payable	–	–
Unremitted premium	4,020	–
<b>Total current liability</b>	<b>₱ 91,489</b>	<b>₱ 87,469</b>
<b>Non-Current Liabilities</b>		
Other Payables - SSS Payables	8,365,045	7,173,100
Other Payables - HDMF Payables	15,089,713	14,184,358
<b>Total non-current liability</b>	<b>₱ 23,454,758</b>	<b>₱ 21,357,458</b>

## 9. Maturity Analysis of Assets and Liabilities

The following tables present the assets and liabilities by contractual maturity and expected settlement dates as of December 31, 2022 and 2021:

	2022			2021		
	Within 12 months	Beyond 12 months	Total	Within 12 months	Beyond 12 months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	₱ 56,903,977	₱ –	₱ 56,903,977	₱ 74,892,816	₱ –	₱ 74,892,816
Subscription receivable	–	47,500,000	47,500,000	–	47,500,000	47,500,000
Other Current Assets	552,234	–	552,234	552,234	–	552,234
	<b>57,456,211</b>	<b>47,500,000</b>	<b>104,956,211</b>	<b>75,445,050</b>	<b>47,500,000</b>	<b>122,945,050</b>
<b>Nonfinancial Assets</b>						
Property and equipment	–	35,899,691	35,899,691	–	27,754,813	27,754,813
	–	35,899,691	35,899,691	–	27,754,813	27,754,813
<b>Total</b>	<b>₱57,456,211</b>	<b>₱ 83,399,691</b>	<b>₱ 140,855,902</b>	<b>₱ 75,445,050</b>	<b>₱ 75,254,813</b>	<b>₱ 150,699,863</b>
<b>Financial Liabilities</b>						
Other payables	₱ 91,489	₱ 23,454,758	₱ 23,546,247	₱ 87,469	₱ 21,357,458	₱ 21,444,927
Advances from Officers	–	78,893,621	78,893,621	–	78,893,621	78,893,621
<b>Total</b>	<b>₱ 91,489</b>	<b>₱ 102,348,379</b>	<b>₱ 102,439,868</b>	<b>₱ 87,469</b>	<b>₱ 100,251,079</b>	<b>₱ 100,338,548</b>

## 10. Capital Management and Equity

### Capital Stock

The Company has 100 million authorized capital stock with at ₱1.00 par value.

Previously, the company's authorized capital stock was 5 million. During the year, the corporation increased its capital stock by 95 million divided into 95 million shares of stock at a par value of ₱1.00

The paid-up capital of the increase is 52.5 million composed of the initial 5 million and the paid up on the additional of 47.5 million in cash. This brings the total paid up capital to 52 million.

### Capital Management

The primary objectives of the Company's capital management are to ensure that it complies with externally imposed capital requirements, to maintain strong credit ratings and healthy capital ratios in order to support its businesses and to maximize shareholder's value.



The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment, return capital structure, or issue capital securities. No changes were made in the objectives, policies or processes from the previous year.

It has been management's practice to advance money for the corporation. This advances are non-interest bearing and as is booked as Advance from officers.

### 11. Revenue

This account consists of:

	2022	2021
Service income	₱ 4,893,960	₱ 2,947,456
	<b>₱ 4,893,960</b>	<b>₱ 2,947,456</b>

Broadcasting fees are recognized as income when the program is broadcasted or the advertisement is aired

### 12. Cost of Service

This account consists of:

	2022	2021
Depreciation – building improvement	₱ 61,692	₱ 61,692
Depreciation – computer software	11,330	11,330
Depreciation – transmission	6,587,659	1,611,250
Depreciation – machine and equipment	14,265	14,265
Depreciation – hardware	982	982
Salaries, wages and benefits – direct	3,331,974	2,804,459
	<b>₱ 10,007,902</b>	<b>₱ 4,503,978</b>

### 13. Operating Expenses

This account consists of:

	2022	2021
Depreciation - office equipment	₱ 344,828	₱ 344,828
Depreciation - furniture & fixtures	16,568	16,568
Rent expense	238,316	262,080
Taxes and licenses	732,002	1,384,511
Salaries & wages – admin	587,996	494,904
SSS/PHIC/HDMF contribution	752,235	249,989
SSS/PHIC/HDMF penalty	2,097,300	1,717,653
Insurance	–	2,784
Miscellaneous	–	32,847
Telephone & communication	–	–
Light, Water & Power	1,016,407	728,199
Professional Fees	1,015,232	1,991,906
Repairs and maintenance	30,455	18,811
	<b>₱ 6,831,339</b>	<b>₱ 7,245,080</b>

#### 14. Income Taxes

Provision for income tax consists of:

	2022	2021
Current	₱ –	₱ –
Deferred	–	–
	₱ –	₱ –

Current tax regulations provide that RCIT shall be 30.0% effective January 1, 2009 and that interest allowed as a deductible expense is reduced by 33.0% of interest income subject to final tax.

Starting July 1, 2008, an Optional Standard Deduction (OSD) equivalent to 40.0% of gross income maybe claimed as an alternative deduction in computing for the RCIT.

In addition, the regulations also provide for MCIT of 2.0% on modified gross income and allow a NOLCO. The MCIT and NOLCO, if any, may be applied against the Company's income tax liability and taxable income, respectively, over a three-year period from the year of inception.

#### 15. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individual or corporate entities. The Company's related parties include:

- Key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members;
- Affiliates or other related parties that are indirectly connected to the Company, which are under common control or significant influence.

The Company did not have any transaction with related parties during the year

The following represents the balance of transactions with related parties as at and for the years ended December 31, 2022 and 2021:

Category	December 31, 2022		Nature, Terms and Conditions
	Amount/ Volume	Outstanding Balance	
<b>Key personnel</b>			
Due to related parties		₱ –	Represents advances from officers for the company's additional fund at 0% interest This represents conversion of the advances to capital
Additional/( reimbursement)	₱ –		

December 31, 2021

Category	Outstanding		Nature, Terms and Conditions
	Amount/ Volume	Balance	
<b>Key personnel</b>			
Due to related parties		P 78,893,621	Represents advances from officers for the company's additional fund at 0% interest This represents payment to related parties for the amount advanced to the company
Additional/ (reimbursement)	47,500,000		

*Terms and conditions of transactions with related parties*

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. An impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

In 2022 and 2021, no provisions for credit losses were provided for due to related parties.

**16. Approval of Financial Statements**

The accompanying financial statements of the Company were authorized for issue by the Company's BOD on 15 APR 2023

**17. Supplementary Information Required under Revenue Regulations (RR) 15-2010**

On November 25, 2010, the Bureau of Internal Revenue issued RR 15-2010 to amend certain provisions of RR 21-2002. The Regulations provide that starting 2010, the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Company also reported and/or paid the following types of taxes for the year:

Taxes and Licenses

The taxes and licenses of the Company consist of:

	Amount remitted in 2022
Municipal licenses and barangay taxes	P 13,819
NTC licenses	636,448
BIR taxes	
Percentage tax	81,735
	P 732,002